

Message Text

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ACTION NEA-10

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 PA-01 PRS-01
IO-13 /075 W
-----242158Z 074458 /63

R 241040Z MAR 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 3104
INFO AMEMBASSY ABU DHABI
AMEMBASSY BONN
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWIAT
AMEMBASSY TEHRAN
AMEMBASSY TOKYO

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E.O. 11652: NA
TAGS: EGIN EFIN EG GW
SUBJ: WEST GERMAN TEAM BEGINS ITS ECONOMIC STUDIES

REF: CAIRO 3529

ECONCOUNS AND AID PROGRAM ECONOMIST MET MARCH 23 WITH
WEISS AND HILLEBRAND FROM GERMAN DEVELOPMENT INSTITUTE TEAM
ASSISTING EX-MINFIN MUELLER IN HIS WORK AS ECONOMIC AND
FINANCIAL ADVISE TO PRESIDENT SADAT (REFTEL). MEETING, WHICH
LASTED 90 MINUTES, WAS OPPORTUNITY FOR EXCHANGE OF VIEWS AND
INFORMATION ON HOW TEAM INTENDS TO PROCEED WITH ITS TUDY.
COMPOSITION OF TEAM AND ITS PRELIMINARY AREAS OF CONCENTRATION
ARE REPORTED SEPTTEL.

2. GERMANS ARE QUITE SERIOUS ABOUT THE UNDERTAKING, BUT DO
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NOT APPEAR TO HAVE ANY PRECONCEIVED IDEAS AS TO HOW TO
APPROACH IT. NATURE OF THE PROBLEMS FACING THE EGYPTIAN
ECONOMY HAVE BEEN FULLY STUDIED AND EXTENSIVELY DOCUMENTED
BY IMF AND IBRD AMONG OTHERS, AND TEAM THEREFORE SEES NO
NEED TO DEVOTE MUCH TIME TO DESCRIBING THEM AGAIN. THEIR
PRELIMINARY BELIEF, SUBJECT TO MODIFICATION, SEEMS TO BE
THAT THEY SHOULD INSTEAD FOCUS ON WHAT COULD BE PROPOSED AND

TO WHOM, IN ORDER TO IMPROVE PROSPECTS FOR DEALING WITH THESE PROBLEMS. SIGNIFICANT PORTION OF THE DISCUSSION DEALT WITH DECISION-MAKING, OPERATIONAL, MANAGERIAL, AND IMPLEMENTATIONAL ASPECTS OF GOE ECONOMIC/POLITICAL MACHINERY AND ITS WEAKNESSES. GERMANS EVIDENTLY FEEL THAT LACK OF HIGH-LEVEL ATTENTION AND LEADERSHIP, COUPLED WITH POOR ORGANIZATION AND OVERALL INEFFICIENCY, HAVE COMPOUNDED EGYPT'S ECONOMIC DIFFICULTIES. EMBOFFS AGREED FACT THAT MUELLER IS ADVISER TO SADAT IS ENCOURAGING IN THIS CONNECTION, SINCE EVEN THOUGH PM SALEM IS NOMINALLY IN CHARGE OF ECONOMY (WITH PORTION OF THAT SECTOR NOW IN HANDS OF DEP PM KAISOONI), HIS PERFORMANCE UNTIL NOW LEAVES CONSIDERABLE ROOM FOR IMPROVEMENT. PRESIDENT SADAT, WHILE IT IS UNLIKELY HE WOULD DEVOTE MUCH PERSONAL ATTENTION TO ECONOMY, COULD PERHAPS BE BROUGHT TO BETTER APPRECIATION OF SIGNIFICANCE AND NATURE OF ECONOMIC PROBLEMS CONFRONTING EGYPT AND BE INDUCED TO PLACE APPROPRIATE AUTHORITY IN THE HANDS OF AN INDIVIDUAL OR TEAM TO MANAGE DEVELOPMENT EFFORT.

3. IT WAS AGREED THAT MAJOR PROBLEM FACING EGYPT ON ECONOMIC FRONT WAS TO CLEAR AWAY THE CONFUSION, LACK OF DIRECTION AND PRIORITIES THAT NOW EXIST AND ADDRESS THE STRUCTURAL IMBALANCES WHICH ARE BASIC SOURCE OF CONTINUING PROBLEMS, IN ORDER TO BE ABLE TO DEAL WITH NORMAL BUT DIFFICULT DEVELOPMENT PROCESS WHICH FACES ALL LDC'S.

4. COMMENT. TEAM, WHICH EXPECTS TO SUBMIT ITS REPORT O/A JULY 15, WILL HAVE A DIFFICULT TASK IN FORMULATING ITS RECOMMENDATIONS. LUNCHEON WITH AIDDIR IS BEING ARRANGED FOR NEXT WEEK, IN ORDER TO DISCUSS THESE AND OTHER LIMITED OFFICIAL USE

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ISSUES. WE HAVE IMPRESSION THAT ALTHOUGH THEY WISH TO MAINTAIN IMAGE OF CARRYING OUT THEIR WORK SEPARATELY FROM DONOR COMMUNITY INsofar AS POSSIBLE, TEAM DOES INTEND TO REMAIN IN CONTACT WITH USG AND OTHER OFFICIALS INTERESTED IN SAME SUBJECTS.
MATTHEWS

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 24-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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